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SENATE BILL 596

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

John T. L. Grubesi c

AN ACT

RELATING TO LICENSING; REVISING BONDING REQUIREMENTS FOR
EMPLOYEE LEASING CONTRACTORS; ESTABLISHING THE EMPLOYEE LEASING
ACT FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-13A-7 NMSA 1978 (being Laws 1993,
Chapter 162, Section 7, as amended) is amended to read:

"60-13A-7. SURETY REQUIREMENTS FOR EMPLOYEE LEASING
CONTRACTORS. --

A. ~~[An employee leasing contractor domiciled and
registered in New Mexico as of September 30, 1993 shall file
and maintain with the department a surety bond in the amount of
twenty-five thousand dollars (\$25,000) issued by an insurance
company authorized to do business in this state.]~~ An employee
leasing contractor ~~[domiciled and]~~ registered in New Mexico

underscored material = new
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1 [after ~~September 30, 1993~~] shall file and maintain with the
2 department a surety bond in the amount of one hundred thousand
3 dollars (\$100,000) issued by an insurance company authorized to
4 do business in this state. Interest accrued on such liquid
5 securities shall be paid to the employee leasing contractor
6 providing the liquid security. The bond shall be conditioned
7 upon the prompt payment of wages for which the employee leasing
8 contractor becomes liable. The employee leasing contractor's
9 liability for these wages shall terminate six months after the
10 employee leasing contractor terminates his employee leasing
11 business.

12 B. In lieu of the surety bond required under
13 Subsection A of this section, the employee leasing contractor
14 may deposit with a depository designated by the department
15 liquid securities with a market value equal to the amount
16 required for a surety bond. The deposit contract shall
17 authorize the department to liquidate the securities to the
18 extent necessary to pay any obligations that the employee
19 leasing contractor fails to pay promptly when due. "

20 Section 2. A new section of the Employee Leasing Act is
21 enacted to read:

22 "[NEW MATERIAL] EMPLOYEE LEASING ACT FUND CREATED--
23 PURPOSE-- APPROPRIATION. --

24 A. The "Employee Leasing Act fund" is created in
25 the state treasury. The fund shall consist of legislative

. 153541. 3

underscored material = new
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1 appropriations to the fund; fees charged by the department
2 pursuant to the Employee Leasing Act; gifts, grants, donations
3 and bequests to the fund; and income from investment of the
4 fund. Money in the fund shall not revert to any other fund at
5 the end of a fiscal year. Expenditures from the fund shall be
6 made on warrants drawn by the secretary of finance and
7 administration pursuant to vouchers signed by the
8 superintendent of regulation and licensing or the
9 superintendent's authorized representative.

10 B. The fund shall be administered by the
11 department, and money in the fund is appropriated to the
12 department for the purpose of carrying out the provisions of
13 the Employee Leasing Act. "

14 Section 3. EFFECTIVE DATE. --The effective date of the
15 provisions of this act is July 1, 2005.

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